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Norway

Retail Food Sector

Food Retail Cooperatives in the Nordics Merge 2001

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Report Highlights:

One of the largest Nordic retailers has just been formed by the merger of Swedish KF, Danish FDB and Coop Norway. Coop Norden, as it will be called, is estimated to have a turnover of U.S. \$ 8 billion. Headquarters will be located in Gothenburg, Sweden and the company launch is scheduled for January 1, 2002. The company plans to form new, unified marketing concepts and is seeking new products.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Stockholm [SW1], NO

One of the largest Nordic retailers has just been formed by the merger of Swedish Kooperativa Forbundet (KF), Danish Faellesforeningen for Danmarks Brugsforeninger (FDB) and Coop Norway. It will be named Coop Norden and is estimated to have a turnover of 80 billion SEK (roughly U.S. \$8 billion), a 29% market share and 26,000 employees. Coop Norden's headquarters will be located in Gothenburg, Sweden and the company launch is scheduled for January 1, 2002. "Our vision is that Coop Norden will be the leading and most innovative retailer in the Nordics with a consumer cooperative identity," Roland Svensson of KF Sweden said.

What prompted the merger was the recent increase in competition from large international chains and the pace of changes in the industry. Through the merger, the three cooperatives believe they can face these challenges by benefitting from larger buying volumes, efficiencies in distribution, a common business development strategy and lowering of costs for information technology (IT). Long term, the company is aiming to develop a common Nordic concept for the marketing of consumer goods. Together, FDB, KF and Coop Norge presently have 15-20 different concepts, a number which will be reduced drastically. Coop Norden will be seeking new products for their shelves. More than likely, there will be new routines for ordering of goods. When and how such changes will take place is not decided yet, but the goal is to have most new systems in place by January 1, 2002. Due to national and regional differences, the same products will not appear on the shelves in each country.

Coop Norden's organization will be formed based on the three existing organizations in Sweden, Norway and Denmark. The headquarters for common operations will be located in Gothenburg. The CEO and the board of directors for Coop Norden will be appointed during the summer and fall of 2001. Key positions will be filled through both external and internal recruiting. Swedish KF will have a 42% share in Coop Norden, Danish FDB 38% and Coop Norway 20%. Finnish cooperatives have also been looking into merging with other Nordic cooperatives, but distinctive differences between Finnish and the languages of other Nordic countries and the fact that Finnish cooperatives are their own main competitors have thus far precluded such a move.

U.S. suppliers who are currently doing business with cooperatives affected by this merger or who are interested in new sales opportunities, should keep abreast of the Coop Norden developments.